

## Department of Planning and Budget 2005 Fiscal Impact Statement

**1. Bill Number:** HB2638

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Ebbin

**3. Committee:** Passed both Houses

**4. Title:** Failure or refusal to pay wages; penalty

**5. Summary/Purpose:** The bill provides that an employer who fails or refuses to pay wages is guilty of a Class 1 misdemeanor if the amount of wages is less than \$10,000 or a Class 6 felony if the value of wages earned and not paid is more than \$10,000 or the conviction is a second or subsequent conviction.

**6. Fiscal impact:** See item 8.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The Department of Labor and Industry is responsible for investigation of payment of wage complaints, and according to the department, additional resources are not required to implement the bill.

Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Any increase in jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (FY 2003), the estimated total state support for local jails averaged \$27.42 per inmate, per day in FY 2003.

For someone convicted of a Class 6 felony, a judge has the option of sentencing him to up to one year in jail, or 1 to 5 years in prison. Therefore, this proposal could result in an increase in the number of persons sentenced to jail or prison.

Due to the lack of data, the Virginia Criminal Sentencing Commission has determined, pursuant to §30-19.1:4 of the Code of Virginia, that the impact of the proposed legislation on state-responsible (prison) bed space cannot be determined.

**9. Specific agency or political subdivisions affected:** Department of Labor and Industry, criminal justice system, including local Commonwealth's Attorneys.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 2/8/05 kbs

**Document:** G:\05 Fis\Hb2638er.Doc

cc: Secretary of Commerce and Trade